

STATE OF SOUTH DAKOTA  
OFFICE OF PROCUREMENT MANAGEMENT  
523 EAST CAPITOL AVENUE  
PIERRE, SOUTH DAKOTA 57501-3182

**270/271 Transactions: Eligibility Benefit and Response**

**PROPOSALS ARE DUE NO LATER THAN April 3, 2013**

RFP #: 2074

BUYER: Department of  
Social Services, Division of  
Medical Services

POC: Mark Close  
Mark.Close@state.sd.us

**READ CAREFULLY**

FIRM NAME: \_\_\_\_\_ AUTHORIZED SIGNATURE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ TYPE OR PRINT NAME: \_\_\_\_\_

CITY/STATE: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

ZIP (9 DIGIT): \_\_\_\_\_ FAX NO: \_\_\_\_\_

FEDERAL TAX ID#: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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**PRIMARY CONTACT INFORMATION**

CONTACT NAME: \_\_\_\_\_ TELEPHONE NO: \_\_\_\_\_

FAX NO: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

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## **1.0 GENERAL INFORMATION**

### **1.1 PURPOSE OF REQUEST FOR PROPOSAL (RFP)**

This is a request for proposals (RFP) from qualified entities interested in providing to the State of South Dakota (State) a web portal host single and multiple eligibility requests and support v5010 batch and real-time 270/271 transactions for its Medicaid Program. The objective of this proposal is to streamline the South Dakota's eligibility request system and meet CORE requirements for v5010 batch and real-time 270/271 transactions.

### **1.2 ISSUING OFFICE AND RFP REFERENCE NUMBER**

The Department of Social Services, Division of Medical Services is the issuing office for this document and all subsequent addenda relating to it, on behalf of the State of South Dakota, Department of Social Services, and Division of Medical Services. The reference number for the transaction is RFP # 2074. Refer to this number on all proposals, correspondence, and documentation relating to the RFP.

Please refer to the Department of Social Services website link <http://dss.sd.gov/rfp/index.asp> for the RFP, any related questions/answers, addendums, changes to schedule of activities, etc.

### **1.3 SCHEDULE OF ACTIVITIES (SUBJECT TO CHANGE)**

RFP Publication	<u>March 1, 2013</u>
Deadline for Submission of Written Inquiries	<u>March 13, 2013</u>
Responses to Offeror Questions	<u>March 20, 2013</u>
Proposal Submission	<u>April 3, 2013</u>
Anticipated Award Decision/Contract Negotiation	<u>April 19, 2013</u>

### **1.4 SUBMITTING YOUR PROPOSAL**

All proposals must be completed and received in the Department of Social Services by the date and time indicated in the Schedule of Activities.

Proposals received after the deadline will be late and ineligible for consideration.

An original and eight (8) identical copies of the proposal shall be submitted.

**The cost proposal must be in a separate sealed envelope and labeled "Cost Proposal".**

All proposals must be signed in ink by an officer of the responder legally authorized to bind the responder to the proposal, and sealed in the form intended by the respondent. Proposals that are not properly signed may be rejected. The sealed envelope must be marked with the appropriate RFP Number and Title. The words "Sealed Proposal Enclosed" must be prominently denoted on the outside of the shipping container. **Proposals must be addressed and labeled as follows:**

**REQUEST FOR PROPOSAL # 2074 PROPOSAL DUE April 3, 2013**  
**SOUTH DAKOTA DEPARTMENT OF SOCIAL SERVICES**  
**ATTENTION: MARK CLOSE**  
**700 GOVERNORS DRIVE**  
**PIERRE, SD 57501-2291**

All capital letters and no punctuation are used in the address. The above address as displayed should be the only information in the address field.

No proposal may be accepted from, or any contract or purchase order awarded to any person, firm or corporation that is in arrears upon any obligations to the State of South Dakota, or that otherwise may be deemed irresponsible or unreliable by the State of South Dakota.

**1.5 CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS**

By signing and submitting this proposal, the offeror certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation, by any Federal department or agency, from transactions involving the use of Federal funds. Where the offeror is unable to certify to any of the statements in this certification, the bidder shall attach an explanation to their offer.

**1.6 NON-DISCRIMINATION STATEMENT**

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

**1.7 MODIFICATION OR WITHDRAWAL OF PROPOSALS**

Proposals may be modified or withdrawn by the offeror prior to the established due date and time.

No oral, telephonic, telegraphic or facsimile responses or modifications to informal, formal bids, or Request for Proposals will be considered.

**1.8 OFFEROR INQUIRIES**

Offerors may email inquiries concerning this RFP to obtain clarification of requirements. No inquiries will be accepted after the date and time indicated in the Schedule of Activities. Email inquiries must be sent to Mark Close at [Mark.Close@state.sd.us](mailto:Mark.Close@state.sd.us) with the subject line "RFP # 2074".

The Department of Social Services, Division of Medical Services will respond to offeror's inquiries by posting all offeror inquiries and Department responses on the DSS website at <http://dss.sd.gov/rfp/index.asp> no later than the date specified in the Schedule of Activities. Offerors may not rely on any other statements, either of a written or oral nature, that alter any specification or other term or condition of this RFP. Offerors will be notified in the same manner as indicated above regarding any modifications to this RFP. Consequently, offerors are encouraged to frequently refer to the DSS website at <http://dss.sd.gov/rfp/index.asp>.

## **1.9 PROPRIETARY INFORMATION**

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

## **1.10 LENGTH OF CONTRACT**

The contract resulting from this RFP will be issued for a period of three (3) years, with the option of renewal for up to three (3), one (1) year contracts at the discretion of the State.

## **1.11 GOVERNING LAW**

Venue for any and all legal action regarding or arising out of the transaction covered herein shall be solely in the State of South Dakota. The laws of South Dakota shall govern this transaction.

## **1.12 DISCUSSIONS WITH OFFERORS (ORAL PRESENTATION/NEGOTIATIONS)**

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense.

This process is a Request for Proposal/Competitive Negotiation process. Each Proposal shall be evaluated, and each respondent shall be available for negotiation meetings at the State's request. The State reserves the right to negotiate on any and/or all components of every proposal submitted. From the time the proposals are submitted until the formal award of a contract, each proposal is considered a working document and as such, will be kept confidential. The negotiation discussions will also be held as confidential until such time as the award is completed.

## **2.0 STANDARD AGREEMENT TERMS AND CONDITIONS**

Any contract or agreement resulting from this RFP will include the State's standard terms and conditions as seen in Attachment A.

## **3.0 SCOPE OF WORK**

An efficient and robust Medicaid program is essential to the Department of Social Services' vision of strong families as South Dakota's foundation and future. One of the key components of an effective Medicaid program is timely and accurate response to eligibility benefit requests.

In order to streamline eligibility responses, South Dakota will adopt the ASC X12 005010X279A1 Eligibility Benefit and Response (270/271) to respond to real time and batch inquiries about health plan insurance coverage.

The selected vendor must have the capacity, requisite experience, and expertise to provide an effective, efficient strategy for South Dakota Department of Social Services to adopt.

The solution proposed by the selected vendor identifies tasks and deliverables the selected vendor will perform. The vendor is instructed to treat the following tasks as formal work requirements. The Vendor may propose alternative tasks, broader tasks, or a different sequence of tasks if they meet or exceed the essential responsibilities described in this RFP

For each of the following, the proposal should address how the Vendor will meet the task in order to implement the Scope of Work successfully to achieve full compliance with all tasks. The Vendor will identify any information or resources needed for the State in order to execute this Scope of Work.

- 3.1** The Vendor must develop and maintain a web portal using HTTP/S protocol. The Vendor must support ASC X12 005010X279A1 Eligibility Benefits Request and Responses (270/271) (hereafter v5010 270/271) and be able to send ASC X12 005010X231A Implementation Acknowledgement for Health Care Insurance (999) (hereafter v5010 999) responses. The Vendor will build and maintain a web portal that allows both individual and multiple recipient eligibility requests to be retrieved directly on the web screen. The Vendor will support both v5010 batch 270/271 transaction requests and v5010 real-time 270/271 transaction requests. The Vendor will include authorization information, a payload identifier, and date and time stamps in the HTTP message body outside the ASC X12 data. The Vendor must meet response time, time out parameters and re-transmission CORE standards. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.2** The Vendor must use South Dakota Department of Social Services branding for development of the website. The Vendor will be responsible for managing log-on credentials for the site. The Vendor will use an enrolled provider's NPI as their user ID.
- 3.3** The Vendor must provide log-on credentials for state staff on an ongoing basis. The Vendor must provide state staff access to the eligibility requests and responses submitted by providers and trading partners. The Vendor must also make transaction count reports available to state staff.
- 3.4** The Vendor must ensure search parameters in the v5010 270 submission include all HIPAA compliant matches, including a recipient's name and Social Security Number, name and date of birth, or South Dakota Medicaid identification number.
- 3.5** The Vendor must supply a companion guide covering the v5010 270/271 transactions to be published on the State's website. The companion guide must follow the format as defined in the CORE v5010 Master Companion Guide Template. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.6** The Vendor must demonstrate that when processing batch v5010 270 requests or v5010 271 responses that pass ASC X12 interchange editing, that the receiver of the batch receives a v5010 999 for each functional group that indicates if the functional group was either accepted, accepted with errors, or rejected. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.7** The Vendor must demonstrate that when processing real time v5010 270 requests that pass ASC X12 interchange editing, but result in an error during validation of a Transaction Set or Functional Group, that the Vendor always returns a v5010 999 to the sender to indicate a rejection of the v5010 270 request. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.8** The Vendor must demonstrate that when processing in real time the maximum response time does not exceed 20 seconds from the time of submission of a v5010 270 to the receipt of a v5010 271, or in the

case of an error, the v5010 999. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.

- 3.9** The Vendor must demonstrate that v5010 271 responses include the health plan name and id, eligibility dates; and any applicable cost sharing, co-insurance, co-payment and deductible charges. The Vendor must support a v5010 270 request for an eligibility period up to 12 months in the past or to the end of the current month. The Vendor must include applicable cost-sharing information for the 7 CORE required services, Chiropractic, Hospital, Hospital Inpatient, Hospital Outpatient, Emergency Services, Professional Visit, and Urgent Care. Additionally, the Vendor must report cost sharing for Dental Care, Vision, Pharmacy and Mental Health. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.10** The Vendor must demonstrate that when processing in batch mode, the receipt of a v5010 271 occurs by 7 am Eastern time of the next business day following submission of a v5010 270 by a provider, or on a provider's behalf by a clearinghouse, by 9 pm Eastern time. The Vendor must also demonstrate that a v5010 999 is available to the submitter and the State within one hour of receipt of the batch. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.11** The Vendor must ensure system availability of no less than 86% for both real time and batch processing per calendar week. The Vendor must propose a plan to promptly delineate information to the State and South Dakota Medicaid Providers for all scheduled downtime, non-routine downtime, unscheduled downtime and holiday scheduling. The Vendor must ensure conformance with this standard through successful completion of the approved CORE test suite for this rule with a CORE-authorized testing vendor by January 1, 2014.
- 3.12** The Vendor must describe how all data will be protected in transmission and storage at no less than 128-bit level encryption.
- 3.13** The Vendor must comply with all HIPAA mandates. The Vendor must describe if they have been involved in any breach and their established process for notification and remediation of the breach.
- 3.14** The Vendor must provide information regarding its disaster recovery plans.
- 3.15** The Vendor's response must include an executive summary, detailed narrative addressing how the company will meet the above listed items, a project work plan, a proposed work flow diagram, description of the company, a list of references and contacts for health care information technology contracts and a proposed detailed schedule and timeline for the execution of the project.

#### **4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS**

- 4.1** The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.
- 4.2 Offeror's Contacts:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific

procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

- 4.3 The offeror **MUST** submit a copy of their most recent independently audited financial statements.
- 4.4 Offeror will provide a copy of its most recent Statement on Standards for Attestation Engagements (SSAE) 16 (previously Statement on Auditing Standards 70) report. For SSAE 16 vendor must identify which of the following can be provided on an annual basis: SOC 1, SOC 2, or SOC 3. This audit will be part of the proposal evaluation. If unable to provide a copy of the most recent report, vendor must explain why and whether in the future the vendor will be able to provide a report.
- 4.5 Offeror must complete Appendix B – Vendor Technical Questions and attach the completed document to submitted proposal. Based on the proposed vendor solution will determine which sections of the appendix should be completed.
- 4.6 Offeror must complete Appendix C – Security Vendor Questions and attach the completed document to submitted proposal. Based on the proposed vendor solution will determine which sections of the appendix should be completed.
- 4.7 Provide the following information related to at least three previous and current service/contracts performed by the offeror's organization which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years:
  - a. Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
  - b. Dates of the service/contract; and
  - c. A brief, written description of the specific prior services performed and requirements thereof, and special project constraints and how they were resolved.
- 4.8 If an offeror's proposal is not accepted by the State, the proposal will not be reviewed/evaluated.

## **5.0 PROPOSAL RESPONSE FORMAT**

- 5.1 An original and eight (8) copies shall be submitted.
  - 5.1.1 In addition, the offeror should provide one (1) additional copy of their entire proposal, including all attachments, in PDF electronic format. Offerors may not send the electronically formatted copy of their proposal via email.
  - 5.1.2 The proposal should be page numbered and should have an index and/or a table of contents referencing the appropriate page number.
- 5.2 All proposals must be organized and tabbed with labels for the following headings:
  - 5.2.1 **RFP Form.** The State's Request for Proposal form completed and signed.
  - 5.2.2 **Executive Summary.** The one or two page executive summary is to briefly describe the offeror's proposal. This summary should highlight the major features of the proposal. It must indicate any requirements that cannot be met by the offeror. The reader should be able to determine the essence of the proposal by reading the executive summary. Proprietary information requests should be identified in this section.
  - 5.2.3 **Detailed Response.** This section, in fifteen (15) pages or less, should constitute the major portion of the proposal and must contain at least the following information:

- 5.2.3.1** A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.
- 5.2.3.2** A specific point-by-point response, in the order listed, to each requirement in Section 3 Scope of Work and Section 4.7 of the RFP. The response should identify each requirement being addressed as enumerated in the RFP and explain in detail how the offeror's proposed solution addresses the requirement.
- 5.2.3.3** Estimates of cost to the South Dakota Medicaid program by claim or monthly fee with detailed breakdowns by services provided.
- 5.2.3.4** A clear description of any options or alternatives proposed.

**5.2.4 Non-State Standard Hardware.** State standard hardware and software should be utilized unless there is a reason to do otherwise. If the vendor recommends using non-standard hardware and software, the proposal should very clearly indicate what non-standard hardware or software is being proposed and why it is necessary to use non-standard hardware or software to complete the project requirements. The vendor may view the State's standards for hardware and software at <http://bit.sd.gov/standards>. The costs of such non-standard software or hardware should be reflected in the vendor's cost proposal. If the vendor proposes to provide the software and or hardware it should be clearly stated in the proposal.

**5.2.5 Cost Proposal.** Cost will be evaluated independently from the technical proposal. Offerors may submit multiple cost proposals. All costs related to the provision of the required services must be included in each cost proposal offered.

The cost proposal must be submitted in a separate sealed envelope labeled "Cost Proposal" as outlined in section 1.4 of this RFP.

See section 7.0 for more information related to the cost proposal.

## **6.0 PROPOSAL EVALUATION AND AWARD PROCESS**

**6.1** After determining that a proposal satisfies the mandatory requirements stated in the Request for Proposal, the evaluator(s) shall use subjective judgment in conducting a comparative assessment of the proposal by considering each of the following criteria:

- 6.1.1** Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
- 6.1.2** Resources available to perform the work, including any specialized services, within the specified time limits for the project;
- 6.1.3** Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
- 6.1.4** Cost proposal
- 6.1.5** Proposed project management techniques;
- 6.1.6** Ability and proven history in handling special project constraints,



**6.1.7** Availability to the project locale; and

**6.1.8** Familiarity with the project locale.

**6.2** Experience and reliability of the offeror's organization are considered subjectively in the evaluation process. Therefore, the offeror is advised to submit any information which documents successful and reliable experience in past performances, especially those performances related to the requirements of this RFP.

**6.3** The qualifications of the personnel proposed by the offeror to perform the requirements of this RFP, whether from the offeror's organization or from a proposed subcontractor, will be subjectively evaluated. Therefore, the offeror should submit detailed information related to the experience and qualifications, including education and training, of proposed personnel.

**6.4** The State reserves the right to reject any or all proposals, waive technicalities, and make award(s) as deemed to be in the best interest of the State of South Dakota.

**6.5 Award:** The requesting agency and the highest ranked offeror shall mutually discuss and refine the scope of services for the project and shall negotiate terms, including compensation and performance schedule.

**6.5.1** If the agency and the highest ranked offeror are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the agency, the agency shall, either orally or in writing, terminate negotiations with the contractor. The agency may then negotiate with the next highest ranked contractor.

**6.5.2** The negotiation process may continue through successive offerors, according to agency ranking, until an agreement is reached or the agency terminates the contracting process.

## **7.0 COST PROPOSAL**

The vendor's cost proposal must include the cost per transaction and any other related transaction associated fees. All costs related to the provision of the required services must be included in each cost proposal offered. Costs for time and the hourly rate for professional services for the development, maintenance or changes to the system or process should be priced separately.